

Charity Registration No. 1095904

Company Registration No. 04616526 (England and Wales)

THE TORCH TRUST FOR THE BLIND
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

THE TORCH TRUST FOR THE BLIND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees/Directors	M Baker M Townsend A Brown P Simkiss J Chapman J Dormandy H Groves	(Appointed 7 May 2019) (Appointed 7 May 2019)
Secretary	M Heaney	
Charity number	1095904	
Company number	04616526	
Principal address	Torch House Torch Way, Northampton Rd Market Harborough Leics LE16 9HL	
Registered office	Torch House Torch Way, Northampton Rd Market Harborough Leics LE16 9HL	
Independent examiner	Philip John Dymond FCCA Cheyettes Ltd 167 London Road Leicester LE2 1EG	
Executive Leadership		
Chief Executive	J Hyde (to 31st March 2020)	
Chief Operating Officer	M Heaney	
Chief Technical Officer	P Wood	

THE TORCH TRUST FOR THE BLIND

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THE TORCH TRUST FOR THE BLIND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The trustees present their report and financial statements for the year ended 30 September 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

Objectives and Overview

The objects of Torch Trust are the relief and support of blind and partially sighted people in accordance with the Christian Basis of Faith contained in the charity's governing document.

In seeking to fulfil these objectives, the Trust aims to enable people with sight loss to discover Christian faith and lead fulfilling Christian lives. The Torch Trust provides practical, emotional and spiritual support to the people losing sight and living with sight loss and makes Christian reading available in accessible formats.

Our programmes are delivered primarily in the UK although we reach many other countries with our accessible literature, and have a particular overseas emphasis in Malawi. Here Torch Trust founded, supports and funds an autonomous non-governmental organisation called Torch Trust for the Blind International (Malawi) which has its own board of trustees.

The origins of the Torch Trust of today go back to 1959 when the Trust and its eponymous magazine *The Torch* were taken on by Ron and Stella Heath. It now operates from Torch House, the headquarters and production building in Leicestershire and up until 31 December 2019 at the Torch Holiday & Retreat Centre in West Sussex. Torch employs around 22 staff and benefits from the skills of many committed volunteers. It has an annual budget of around £1 million and reaches over 10,000 people with sight loss.

Public Benefit

The trustees of the charity have complied with their duty under Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The objects of Torch Trust are the relief and support of blind and partially sighted people in accordance with the Christian Basis of Faith contained within the charity's governing document.

The activities, programmes and services provided in furtherance of these objects have been described in this report. They are available to people of all faiths or none who wish to avail themselves of what Torch has to offer.

The Charity is also keen to ensure that cost is not a barrier to participation. Many of its services are free. Publications are provided at no more than a print-equivalent price. Torch also assists Clients whose financial situation prevents them from participating and, where appropriate, will discount the cost.

THE TORCH TRUST FOR THE BLIND

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Achievements and performance in the year

The trust has continued to provide accessible Christian literature to over 2,200 people. The library service has continued to be very popular. The weekly "reflections" radio program has presented a variety of interviewees and topics. Some subjects covered have been very challenging and others have been joyful testimonies of Christian experience.

A highlight of the year was our 60th anniversary in June where we launched our sight loss friendly church campaign. To date around 200 churches have signed up. A number of churches have been hosting training events and availed themselves of the sight loss friendly church resources. Successful holidays were run at the Holiday and Retreat Centre in Sussex. Due to financial pressures and the high level of subsidy for these holidays, we ended the service in December 2019.

We have continued strong and supportive relationship with our local Torch Fellowship Groups who are independent in the way they operate. A key plank of our previous strategy "journeying with" is now being rethought. We do still want to support people on that difficult journey as they lose their sight. The plan is to integrate it into sight loss friendly church.

Future plans including aims; objectives; activities planned to achieve them

The Trust continues to focus on the supply of accessible Christian literature. However, we recognise that the supply of reading materials for the mainstream public is changing in its nature. Online materials, e-books, apps, and interactive experiences, are the result of changing technology. We have already engaged with some of this change. The Trust would like to develop processes to enable blind and partially sighted people to engage with these mainstream activities. We plan to develop easy-to-use processes that suit a wide range of abilities from older beginners through to technically competent youngsters. Our response to the coronavirus has accelerated this process. Many of our friends and clients are now enjoying virtual experiences. These changes will also impact the sight loss friendly church campaign as we are developing virtual ways of training and delivering understanding.

The Trust recognises the need for blind and partially sighted people to enjoy meeting together face-to-face. To this end we will continue to support our independent Torch Fellowship Groups. The new plan is our "Torch Together" holidays. These are planned to take place in mainstream conference centres but supported by Torch staff and volunteers to give them that Torch Fellowship flavour.

Financial review

Total income of £846,105 was 9% down on the prior year but this was due to lower legacies which whilst extremely welcome are unpredictable. Income was also supplemented by the rental of unoccupied space in Torch's two properties.

The Statement of Financial Activities shows a deficit of £142,828.

With freehold ownership of two high quality buildings the Trust has a strong balance sheet with the funds at year end of £2,657,538 (2018: £2,800,366).

The Board with the Chief Operating Officer, monitors the cash position. However, current regular income is still far short of expenditure thus requiring the effective stewardship and sustainability strategy.

The Trustees acknowledge with gratitude all grants received during the year. The Trustees also wish to express their appreciation to the many who support the work of the Torch Trust by making donations, large and small, and honour those who have supported Torch by leaving a legacy gift.

The financial administration of the Trust is overseen by the Chief Operating Officer, Michael Heaney, who reports regularly to the Board on the financial performance of the Trust.

THE TORCH TRUST FOR THE BLIND

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Reserves Policy

The Board has a minimum cash reserves policy of three months average expenditure. For the year under review that amounted to £240,000.

Restricted Funds

The net Restricted Funds balances of £11,436 are detailed in note 19 to the Accounts.

All of the funds are likely to be spent during the course of the next financial year.

Budget

A budget has been agreed with the Trustee Board for the 2019/20 financial year which supports the programme of work to both continue Torch Trust's activities and services and to meet the objectives set out herein.

How Torch raises its funds

We recognise the financial and prayerful support of our many friends, clients, supporters and volunteers. We also appreciate the generous donations from trusts. During the year we employed a "relationships" manager who oversees this aspect of our work. This all feeds into our finance and sustainability plan.

Currently the Torch Holiday and Retreat Centre in Hurstpierpoint Sussex is up for sale and receiving a great deal of interest. The sale of this property will enable us to develop a 21st-century shaped Torch Trust. We do not plan to use the proceeds to subsidise ongoing existing losses.

New Chair

Our core belief is that people with sight loss have an equal and valuable part to play in church and Christian communities. We are working together to reach and enable people with sight loss to have fulfilled Christian lives. To this end I believe that we need to stay close to our core values. The Charity Commission recognises that trusts that build their strategy on their core values and focus on delivering through those values are the most successful. So, Torch is 'Christ centred'. Jesus is our head, and every day we seek to follow him and serve in the way he does in love.

'People focussed'. Personal links and relationships are central, and have always been central, to Torch. Our staff, volunteers, friends, clients, and everyone we come in contact with, are central to all that Torch does. We want to build a Jesus focused happy and successful community.

'Openness' is essential to the running of any successful organisation. Whilst confidentiality must always be observed, clarity and understanding form an essential part of trust. My objective as chair is to build openness and trust.

'Creativity' is an important feature of any forward-looking charity. We need to give space for innovation and vision.

My aim as new chair is to promote and foster these values across the whole of the Trust.

THE TORCH TRUST FOR THE BLIND

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Risk review

The trustees recognise their responsibility to identify the major risks to which the Trust is exposed, to review these risks and establish systems to mitigate them. Accordingly, the Trustees have instituted a formal review of risks and controls. These are reviewed on an ongoing basis by the Executive Team and at least annually by the Board.

The Trustees continue to use Peninsular as HR and health and safety advisors. In addition to providing regular advice they conduct an annual inspection at both premises. The advisors have expressed themselves satisfied with our attention to health and safety and monitor matters requiring our attention to ensure they are dealt with promptly. The trustees receive regular health and safety reports and risk review as necessary.

During the year policies are reviewed and agreed annually at the AGM; these include policies for Safeguarding, Conflicts of Interest and Accepting or Rejecting Donations. As a Christian organisation, the Torch Trust seeks and expects to maintain consistently high standards of conduct in all aspects of its operation.

Structure, governance and management

Constitution

The Torch Trust for the Blind was incorporated on 13th December 2002 as a company limited by guarantee to carry on the activities of the unincorporated charity of the same name (registered charity no. 208678). The company was registered as a charity with aims equivalent to those of the unincorporated trust and was constituted under a trust deed dated 17th January 1952.

The Torch Trust for the Blind is commonly identified as the Torch Trust and frequently referred to as Torch.

Board

At the year end the Board of trustees comprised seven members, three of whom are blind people.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of approval of this Report were:

M Baker

C Eddon (Resigned 10 September 2019)

R Morriss (Resigned 10 September 2019)

M Townsend

A Brown

P Simkiss

J Chapman

J Dormandy (Appointed 7 May 2019)

H Groves (Appointed 7 May 2019)

There is a recognition of a need to continue to increase the range of skills on the Board and candidates are actively considered and approached as appropriate. New trustees, who also become directors, are appointed by the board after interviewing by trustees and members of the Executive team and after the taking up of references.

In taking up their responsibilities the new trustees are required to attend an induction day during which they are advised of their responsibilities under charity law and the Torch Trust's governing documents and introduced to the work and leadership of the Trust. Ongoing training is also provided.

THE TORCH TRUST FOR THE BLIND

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2019

Leadership

The supervision of the Trust's operations and activities has been delegated by the Board to the Chief Executive who, in consultation with the Executive team makes day to day decisions to ensure the Trust runs in a manner consistent with its charitable purpose, its aims, values and strategic objectives and with the strategies and policies agreed by the trustees.

The Chief Executive, Chief Operating Officer/Company Secretary and Chief Technical Officer (the full executive board) attend most Board Meetings and from time to time other Leaders also attend Board meetings as appropriate to agenda topics.

The governance of Torch Trust during this year has proved to be very challenging.

Statement from the website www.torchtrust.org – “The Trustees have asked that I inform you that Julia Hyde is leaving her employment with Torch Trust on the 31st March, Julia will remain on sick leave until this date. Julia has brought lots of energy and fresh ideas to Torch and worked hard to set up our Sight Loss Friendly Church initiative. We wish her all the best for her future. A settlement has been mutually agreed by the trustees and Julia Hyde. Please pray.”

Staff

Torch's diverse programme of activities and services depends on the expertise and commitment of a loyal team of staff. Torch Trust seeks always to apply the Christian attitudes and values that underpin its work to the employment and management of staff.

Volunteers

In making a difference to the lives of blind and partially sighted people, Torch relies on a large number of willing volunteers to support the delivery of its services.

In the context of local Torch Fellowship Groups around the UK, usually meeting monthly, an estimated 1,000 volunteers are involved. Work at the Torch headquarters, Torch events and those working from home involves up to 80 people. Volunteers are engaged in the reading and editing of audio books and are also essential to many of Torch's newer activities, in particular the implementation of the Sight Loss Friendly Church campaign. Through this campaign Torch seeks to grow the number of volunteers involved with Torch.

The Trustees are grateful for the diligence and enthusiasm of the large number of people, both staff and volunteers, working to deliver Torch's vision for people with sight loss.

Council of Reference

The Council of Reference comprises well-known and respected Christian leaders who not only lend credibility to the Trust through the inclusion of their names on Torch's literature and website, but provide the trustees and leadership with expert advice and counsel. They have no decision-making remit.

The Council currently comprises Revd Dr Steve Brady, former Principal of Moorlands College, Revd Dr David Coffey OBE, former President of the World Baptist Alliance, Revd Malcolm Duncan, Senior Pastor at Dundonald Elim Church, Jonathan Lamb, Minister-at-Large for Keswick Ministries, Revd Roy Searle, Leader of the Northumbria Community, Dr Elaine Storkey, former President of TEARfund and Revd Dr Derek Tidball, author, former Principal, London School of Theology.

THE TORCH TRUST FOR THE BLIND

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2019

Affiliations

Torch is part of a wider Christian disability network called Churches for All. This helps to ensure that Torch is consistent in its approach to Clients who may also have other disabilities, as well as sight loss.

Torch is also a member of a wide range of:

- Sight loss organisations and networks, helping it to keep in touch with sector developments and providing opportunities to work with other organisations on specific projects where that is in the interests of Torch.
- Christian organisations and networks, seeking to be an influence in churches thus enabling them be a key component in enabling blind and partially sighted people to have a fulfilling Christian life and, with appropriate volunteer training, support people locally who are going through the trauma of sight loss.
- Torch has an international reach and so seeks to maintain contact with Christian organisations working with visually impaired people around the world.

This Report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

M Heaney
Company Secretary
Dated: 10 July 2020

M Townsend
Trustee director
Dated:10 July 2020

THE TORCH TRUST FOR THE BLIND

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE TORCH TRUST FOR THE BLIND

I report on the accounts of the charity for the year ended 30 September 2019, which are set out on pages 8 to 22.

Respective responsibilities of trustees and examiner

The charity's trustees, who are also the directors of The Torch Trust for the Blind for the purposes of company law, are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of Association of Chartered Certified Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Philip John Dymond FCCA
Independent Examiner
Cheyettes Ltd
Chartered Certified Accountants
167 London Road
Leicester
LE2 1EG

Dated: 15 July 2020

THE TORCH TRUST FOR THE BLIND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Income from:					
Donations and legacies	2	648,343	34,700	683,043	785,476
Charitable activities	3	124,276	312	124,588	105,023
Investments	4	38,474	-	38,474	35,813
Total income		811,093	35,012	846,105	926,312
Expenditure on:					
Raising funds	5	21,166	-	21,166	12,169
Charitable activities	6	915,755	45,198	960,953	886,031
Residential letting costs	9	1,166	-	1,166	2,959
Other	10	5,648	-	5,648	5,846
Total resources expended		943,735	45,198	988,933	907,005
Net (outgoing)/incoming resources before transfers		(132,642)	(10,186)	(142,828)	19,307
Gross transfers between funds		28,738	(28,738)	-	-
Net (expenditure)/income for the year/ Net movement in funds		(103,904)	(38,924)	(142,828)	19,307
Fund balances at 1 October 2018		2,750,006	50,360	2,800,366	2,781,059
Fund balances at 30 September 2019		2,646,102	11,436	2,657,538	2,800,366

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE TORCH TRUST FOR THE BLIND

BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11		2,523,803		2,555,399
Current assets					
Stocks	13	3,697		3,513	
Debtors	14	29,552		59,413	
Cash at bank and in hand		458,747		551,064	
			<u>491,996</u>		<u>613,990</u>
Creditors: amounts falling due within one year	15	(58,261)		(69,023)	
Net current assets			433,735		544,967
Total assets less current liabilities			<u>2,957,538</u>		<u>3,100,366</u>
Creditors: amounts falling due after more than one year	16		(300,000)		(300,000)
Net assets			<u>2,657,538</u>		<u>2,800,366</u>
Income funds					
Restricted funds	19	11,436		50,360	
Unrestricted funds		2,646,102		2,750,006	
			<u>2,657,538</u>		<u>2,800,366</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2019.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 10 July 2020

M Townsend
Trustee

Company Registration No. 04616526

THE TORCH TRUST FOR THE BLIND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(127,192)		105,806
Investing activities					
Purchase of tangible fixed assets		(3,598)		(16,560)	
Investment income		38,473		35,813	
		<u> </u>		<u> </u>	
Net cash generated from investing activities			34,875		19,253
Financing activities					
Proceeds from borrowings		-		300,000	
Repayment of borrowings		-		(500)	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from financing activities			-		299,500
			<u> </u>		<u> </u>
Net (decrease)/increase in cash and cash equivalents			(92,317)		424,559
Cash and cash equivalents at beginning of year			551,064		126,505
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>458,747</u>		<u>551,064</u>

THE TORCH TRUST FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

Charity information

The Torch Trust for the Blind is a private company limited by guarantee incorporated in England and Wales. The registered office is Torch House, Torch Way, Northampton Rd, Market Harborough, Leics, LE16 9HL.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds comprise the accumulated surplus or deficit on the Statement of Financial Activities. They are available for use at the discretion of the trustees in furtherance of the general objectives of the charity unless the funds have been designated for other purposes.

Designated funds are those sums set aside by the trustees for specific purposes.

Restricted funds are subject to specific restricted conditions imposed by donors. The areas of use of the restricted funds are set out in the notes to the accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income received in respect of holidays and retreats to be fulfilled in a future accounting period is deferred.

THE TORCH TRUST FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is included on an accruals basis.

Costs are classified under the charity's functional categories of expenditure and type of expense in order to provide more useful information.

The functional costs comprise direct costs attributable to the activity, including irrecoverable VAT. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with budgeted use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Straight line over one hundred years
Plant and equipment	25% per annum on a straight line basis
Fixtures and fittings	25% per annum on a straight line basis
Motor vehicles	25% per annum on a straight line basis

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE TORCH TRUST FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE TORCH TRUST FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2019 £	2019 £	2019 £	2018 £
Donations and gifts	356,041	34,700	390,741	381,073
Legacies receivable	292,302	-	292,302	404,403
	<u>648,343</u>	<u>34,700</u>	<u>683,043</u>	<u>785,476</u>
For the year ended 30 September 2018	<u>704,162</u>	<u>81,314</u>		<u>785,476</u>

3 Charitable activities

	2019 £	2018 £
Sales of Braille, giant print and audio	16,404	21,047
Holidays and retreats	82,411	72,491
Other income	25,773	11,485
	<u>124,588</u>	<u>105,023</u>
Analysis by fund		
Unrestricted funds	124,276	
Restricted funds	312	
	<u>124,588</u>	
For the year ended 30 September 2018		
Unrestricted funds		104,939
Restricted funds		84
		<u>105,023</u>

THE TORCH TRUST FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

4 Investments

	Unrestricted funds	Total
	2019 £	2018 £
Rental income	35,418	34,659
Interest receivable	3,056	1,154
	<u>38,474</u>	<u>35,813</u>

5 Raising funds

	2019 £	2018 £
<u>Fundraising and publicity</u>		
Literature	5,372	6,420
Advertising and promotions	14,055	5,187
Other supporter activity and donations	1,739	562
	<u>21,166</u>	<u>12,169</u>
Fundraising and publicity	21,166	12,169
	<u>21,166</u>	<u>12,169</u>
For the year ended 30 September 2018		
Fundraising and publicity		<u>12,169</u>

THE TORCH TRUST FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

6 Charitable activities

	UK outreach	Production and distribution costs	Overseas outreach	Holidays and retreats	Staff remuneration and costs	Establishment costs	Support costs	Total 2019	Total 2018
	£	£	£	£	£	£	£	£	£
Staff costs	-	-	-	-	594,872	-	-	594,872	561,295
Depreciation and impairment	-	-	-	-	-	35,195	-	35,195	36,490
Overseas outreach	-	-	44,564	-	-	-	-	44,564	33,531
Radio	5,986	-	-	-	-	-	-	5,986	5,104
Literature	433	-	-	-	-	-	-	433	2,015
Exhibitions and events	5,647	-	-	-	-	-	-	5,647	4,332
Advertising and promotions	25,687	-	-	-	-	-	-	25,687	676
Braille	-	7,923	-	-	-	-	-	7,923	10,450
Giant print	-	15,285	-	-	-	-	-	15,285	14,532
Audio	-	11,319	-	-	-	-	-	11,319	9,936
Holidays and retreats	-	-	-	39,102	-	-	-	39,102	36,483
Rates and insurance	-	-	-	-	-	26,537	-	26,537	20,966
Power and water	-	-	-	-	-	28,725	-	28,725	27,194
Internet and website	-	-	-	-	-	706	-	706	4,264
Health and safety and security	-	-	-	-	-	5,573	-	5,573	5,561
Equipment maintenance	-	-	-	-	-	8,974	-	8,974	2,014
Premises and grounds maintenance	-	-	-	-	-	23,791	-	23,791	29,189
Hospitality and sundry	-	-	-	-	-	5,240	-	5,240	5,851
Miscellaneous purchase HRC	-	-	-	-	-	-	70	70	53
Travel and motor expenses	-	-	-	-	-	-	14,570	14,570	21,123
Professional and consultancy fees	-	-	-	-	-	-	3,242	3,242	5,585
Postage and stationery	-	-	-	-	-	-	16,961	16,961	20,470
Telephone	-	-	-	-	-	-	8,130	8,130	6,691
Bank charges and interest	-	-	-	-	-	-	14,920	14,920	6,934
Subscriptions	-	-	-	-	-	-	3,412	3,412	2,766

THE TORCH TRUST FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

6 Charitable activities

(Continued)

Software and sundry expenses	-	-	-	-	-	-	14,089	14,089	12,526
	<u>37,753</u>	<u>34,527</u>	<u>44,564</u>	<u>39,102</u>	<u>594,872</u>	<u>134,741</u>	<u>75,394</u>	<u>960,953</u>	<u>886,031</u>
	<u>37,753</u>	<u>34,527</u>	<u>44,564</u>	<u>39,102</u>	<u>594,872</u>	<u>134,741</u>	<u>75,394</u>	<u>960,953</u>	<u>886,031</u>
Analysis by fund									
Unrestricted funds	37,753	34,527	-	39,010	594,872	134,649	74,944	915,755	
Restricted funds	-	-	44,564	92	-	92	450	45,198	
	<u>37,753</u>	<u>34,527</u>	<u>44,564</u>	<u>39,102</u>	<u>594,872</u>	<u>134,741</u>	<u>75,394</u>	<u>960,953</u>	
For the year ended 30 September 2018									
Unrestricted funds	12,127	34,918	334	36,483	559,020	128,479	67,740		839,101
Restricted funds	-	-	33,197	-	2,275	3,050	8,408		46,930
	<u>12,127</u>	<u>34,918</u>	<u>33,531</u>	<u>36,483</u>	<u>561,295</u>	<u>131,529</u>	<u>76,148</u>		<u>886,031</u>

THE TORCH TRUST FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. Five trustees were reimbursed travel expenses amounting to £1,309 (2018 - three trustees £1,520).

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Management and operational	31	32

Employment costs

	2019 £	2018 £
Wages and salaries	515,334	488,711
Social security costs	35,008	30,347
Other pension costs	11,827	6,354
Staff training	5,294	5,845
Other staff costs	27,409	30,038
	<u>594,872</u>	<u>561,295</u>

No employee received emoluments amounting to more than £60,000 in the year.

9 Residential letting costs

Residential letting costs primarily comprise agents fees and repairs.

10 Other

	2019 £	2018 £
Trustees meeting expenses	1,815	2,054
Trustees indemnity insurance	503	472
Independent Examiner's fees	3,330	3,320
	<u>5,648</u>	<u>5,846</u>

THE TORCH TRUST FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

11 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 October 2018	2,899,644	287,016	106,974	41,000	3,334,634
Additions	-	3,598	-	-	3,598
At 30 September 2019	2,899,644	290,614	106,974	41,000	3,338,232
Depreciation and impairment					
At 1 October 2018	358,927	287,016	92,292	41,000	779,235
Depreciation charged in the year	27,894	899	6,401	-	35,194
At 30 September 2019	386,821	287,915	98,693	41,000	814,429
Carrying amount					
At 30 September 2019	2,512,823	2,699	8,281	-	2,523,803
At 30 September 2018	2,540,717	-	14,682	-	2,555,399

Freehold land and buildings includes non-depreciable land in the sum of £110,309.

12 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	486,077	596,405
Carrying amount of financial liabilities		
Measured at amortised cost	352,000	363,418

13 Stocks

	2019 £	2018 £
Finished goods and goods for resale	3,697	3,513

14 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	-	3,948
Other debtors	27,330	41,393
Prepayments and accrued income	2,222	14,072
	29,552	59,413

THE TORCH TRUST FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

15 Creditors: amounts falling due within one year

	2019 £	2018 £
Borrowings	2,500	2,500
Other taxation and social security	6,261	5,605
Trade creditors	18,862	31,543
Accruals and deferred income	30,638	29,375
	<u>58,261</u>	<u>69,023</u>

16 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Borrowings	<u>300,000</u>	<u>300,000</u>

Included above is £215,000 (2018 - £275,000) repayable in more than 5 years by instalments. Interest is charged at 4% per annum; repayment of the capital commences in May 2023 with the balance of any outstanding sum being written off as a donation in the event of the death of the lender.

17 Deferred income

Deferred income relates to payments for Torch holidays that are recognised in the year the holiday takes place and rental income relating to the following accounting period.

	2019 £	2018 £
Balance at start of year	24,125	13,368
Amounts released to incoming resources	(24,125)	(13,368)
Amounts deferred in year	25,591	24,125
	<u>25,591</u>	<u>24,125</u>

18 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £11,827 (2018 - £6,354).

THE TORCH TRUST FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 30 September 2019 £
	Balance at 1 October 2018 £	Income £	Expenditure £	Transfers £	
Africa - general	18,863	32,540	(45,092)	1,929	8,240
Eastern Europe	(124)	472	-	(2)	346
Other UK restricted	2,844	1,345	(80)	(1,259)	2,850
Torch HRC	28,777	655	(26)	(29,406)	-
	<u>50,360</u>	<u>35,012</u>	<u>(45,198)</u>	<u>(28,738)</u>	<u>11,436</u>

The areas of operation in respect of these funds are as set out in the Trustees' Report.

The transfers represent charges payable towards the administration of gifts together with any capital costs incurred by restricted projects.

20 Analysis of net assets between funds

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Fund balances at 30 September 2019 are represented by:				
Tangible assets	2,523,803	-	2,523,803	2,555,399
Current assets/(liabilities)	422,299	11,436	433,735	544,967
Long term liabilities	(300,000)	-	(300,000)	(300,000)
	<u>2,646,102</u>	<u>11,436</u>	<u>2,657,538</u>	<u>2,800,366</u>

21 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	2,250	-
Between two and five years	-	11,250
	<u>2,250</u>	<u>11,250</u>

THE TORCH TRUST FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

22 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

Marilyn Baker, a trustee of The Torch Trust for the Blind, is an employee of the charity MBM. The Torch Trust for the Blind has a contract in place with MBM for the provision of speakers, music and programme for retreats and away days, speakers and music for Torch events, advice in connection with and presenter of the Torch Reflections Radio programme and other specific duties appropriate to the work of MBM on request. Expenditure amounted to £1,208 in the year (2018 - £1,977). At 30th September 2019 the amount owed to MBM by The Torch Trust for the Blind was £708 (2018 - £978).

Dr. Michael Townsend, a trustee of The Torch Trust for the Blind, is also a trustee director of Through the Roof Charitable Trust. During the year the charitable company was charged a members contribution of £750 (2018 - £Nil) in connection with Churches for All network; no amounts were outstanding at 30th September 2019 (2018 - £Nil).

Philippa Simkiss, a trustee of The Torch Trust for the Blind, provided consultancy services during the year to the charitable company of £8,961 (2018 - £nil); no amounts were outstanding at 30th September 2019 (2018 - £Nil).

23 Cash generated from operations	2019	2018
	£	£
(Deficit)/surplus for the year	(142,828)	19,307
Adjustments for:		
Investment income recognised in statement of financial activities	(38,474)	(35,813)
Depreciation and impairment of tangible fixed assets	35,195	36,490
Movements in working capital:		
(Increase)/decrease in stocks	(184)	3,160
Decrease in debtors	29,861	72,891
(Decrease)/increase in creditors	(10,762)	9,771
Cash (absorbed by)/generated from operations	(127,192)	105,806